



FLORENCE COPPER INC.

1575 W. Hunt Highway, Florence, Arizona 85132 USA

florencecopper.com

March 28, 2022

Mr. Daniel Reeder
Principal Hydrogeologist
Arizona Department of Environmental Quality
Groundwater Protection Value Stream
1110 West Washington Street
Phoenix, Arizona 85007

Subject: Aquifer Protection Permit (APP) No. 101704, LTF 88973
BADCT Alert Level Exceedance for Injection/Recovery Well Operations

Dear Mr. Reeder:

In accordance with APP No. 101704, Section 2.6.2.6, Condition #1, Florence Copper is submitting this report within one (1) day of becoming aware of an exceedance of BADCT alert levels for injection/recovery well operations. As per Section 4.2 Table 15: In-Situ BADCT Monitoring, the alert level is exceeded when there is less than 1-foot differential as a daily average between the Recovery/Perimeter well and the POC Well. On March 28, 2022, the daily average for the hydraulic gradient between Recovery well R-01 and Observation well O-01 was less than 1 foot. For the 24-hour period beginning 7:00 a.m. March 27th and ending at 7:00 a.m. on March 28th, the hydraulic gradient was -26.51 feet (-26.51 ft).

Florence Copper is currently conducting rinsing activities in the wellfield, and is injecting water treated with reverse osmosis (RO) technology into the injection wells. No mining solutions escaped the wellfield area because of the alert level exceedance. The alert level exceedance occurred because observation well O-01 was inadvertently pumped for 10 hours, rather than the scheduled 1-hour timeframe necessary for collecting a conductivity sample. All other compliance requirements were maintained during the 24-hour period.

Florence Copper will investigate the incident and will submit a report to the Groundwater Protection Value Stream within seven days as per APP Section 2.6.2.6, Condition 7.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brent Berg', with a long, sweeping underline.

Brent Berg
General Manager

cc: Nancy Rumrill, United States Environmental Protection Agency